Ministry of Finance

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May 22, 2020

Christopher Tyrell
Clerk of the Committee
Room 1405, Whitney Block
Queen's Park
Toronto, ON M7A 1A2

Dear Mr. Tyrell,

As requested in your letter dated April 28, 2020, please find enclosed the summary status table in response to the recommendations of the Auditor General of Ontario made in Section 3.12 (Provincial Support to Sustain the Horse Racing Industry) of the 2019 Annual Report of the Office of the Auditor General of Ontario.

I trust that the materials enclosed meet the requirements of the Committee.

Yours sincerely,

Greg Orencsak
Deputy Minister

Attachment: Summary Status Table

c.   Catherine Fife, MPP, Chair of the Committee
      Bonnie Lysyk, Auditor General

Summary Status Table in Response to the
Report of the Auditor General of Ontario

Provincial Support to Sustain the Horse Racing Industry
Section 3.12, 2019 Annual Report of the Auditor General
Ministry of Finance

Auditor’s Recommendation	Completed Undertaking	Outstanding Undertaking (including timeline)
Recommendation 1: In order to reduce the horse racing industry’s reliance on government funding and become self-sustaining, we recommend that the Ministry of Finance and the Ontario Lottery and Gaming Corporation: • complete its impact study of the horse racing industry on Ontario’s economy; • based on the results of the study, construct a long-term plan toward self-sustainment of horse racing through wagering revenues and other options; and • consider revisiting the latest agreement based on the results of the study.	The study is progressing, with the following milestones completed to date: • Develop model • Review and test model results OLG will use inputs from this study to work with the industry body, Ontario Racing (OR), to develop an overarching long-term industry plan: • OLG has led ongoing meetings with the industry to move this work forward and support the development of an OR sustainability plan.	The economic impact study, which began on June 1, 2019, was scheduled for completion on March 31, 2020. However, due in part to the impact of COVID-19 on OLG, the study has been delayed by 90 days. The Ministry is supportive of OLG’s revised timeline to complete the survey. OLG still intends to use the inputs from this study to work with OR to develop an overarching long-term industry plan and determine if there are amendments to the Long-Term Funding Agreement (LTFA) that could be explored with the other parties to the LTFA. Thereafter, the Ministry of Finance will review any proposed amendments to the LTFA and seek necessary internal approvals. The Ministry remains supportive of this plan and the revised timelines. The current COVID-19 outbreak is expected to negatively impact the sustainability of the horse racing industry. Even as racing resumes in Ontario, it will be conducted under more challenging conditions, and opportunities for enhancing the self-sustainability of the industry will need to be considered in this context. Ontario remains committed to a vibrant horse racing industry.